

REASONS

Offer'd against the

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Continuance

OF THE

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BANK.

Mr. *England* Bank of England

IN A

Letter to a Member

OF

PARLIAMENT.

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LETTER

TO A

MEMBER

OF

Parliament.

SIR,

WE have a Report in the Country, that there is great Striving for and *against* the Continuance of the *Bank*, call'd by some the *Bank of England*, by others the *Royal Bank*, whilst indeed 'tis only the *Bank* of a very Few, against the Interest of the *whole Nation*, except either *themselves*, or those of a certain *Party*, (if there be any such as I do not pretend to determine) who may possibly hope by *Secret Means* to ingross it to *themselves*, and thereby be able at their Pleasure to

Subvert the Ancient Legal Constitution of the Kingdom, by hindering the Circulation of Money, which is the very Life of Trade in all its Branches, and in a Free Nation runs undisturb'd into all Parts, to the Comfort of the Farmer and Country Gentleman, as well as the City and Court. For it is as possible for any one prevailing Party, where Shares are Transferable to those that bid the Highest, to Engross and discern'd the whole Bank, as it is for the Bankers to monopolize the whole Money, or the greatest Part of it : As none feel the sad Consequences thereof so much as those that Live at a Distance from it.

To unravel this growing Evil, we must begin with the *Act of Parliament* whereby it is Establish'd, which gives the Bankers Power, or Opportunity of getting the Most of the Money of the Nation into their own Hands Yearly. For besides the Paying the Sum specify'd into the *Exchequer*, the said *Act* authorizeth and impowers them to advance by Way of *Loans* to the Extent of other Funds agreed on in *Parliament*, and to draw into their Power all the *Tallies* that are or shall be struck either upon *Parliamentary Grants*, or the *Standing Revenue*, during the said *Bank*. Yet for the Safety of the said *Sums of Money, Tallies, &c.* the Government is oblig'd to make Good, or see Paid no more than 100000*l. per Ann.* inclusive of the *Interest* of 1200000*l.* except what has been engraffed since, of which not much remains unpaid by the Government.

Besides, *Moneys* in the *Bank* are not easily recoverable, should any *Interruption* happen in *Payments*, as is not impossible by a hasty *Draw*, or *Demand*, from individual *Feats* without Knowledge of each other.

other. For the said *Act of Parliament* (which was pass'd in haste at the later End of a *Session*, when there were but few *Members*, and those so taken up with Thoughts about the approaching *Campaign*, that they had not Time sedately to examine into the *Conveniences* and *Inconveniences* of e'ry Clause) provides, ' That the Bank as a Corporation should not borrow, nor give Security by Bill, Bond, &c. under their *Common Seal* for above the Sum of 1200000 *l.* at a Time. And that if they did they should not be su'd as a Corporation, but that all and every Member or Members, &c. should in their private personal Capacities be liable in Proportion to their several *Quota's* to the Repayment of the Monies so borrow'd. So that a Thousand several Persons may be to be su'd by separate Actions for one Single 100 *l.* Besides the said *Bank* not being sueable after borrowing 1200000 *l.* (excepting as before excepted) who can know when they have or have not borrow'd so much, and not ten *Times more*, without searching their *Books*, which very few mind, or care for the Trouble of it, and if they do, (considering the *Nicety* and *Tricks* of the *Law*) what single Person will contend with a Corporation? And if any should, they will find few *Bank-Bills* (comparatively) Sign'd with the *Common Seal*, and the Rest to have no more Security than the bare *Hands of Servants* and *Directors*, being not safe or unfaileable. Which shews what may be justly expected and fear'd from such a *Society of Men*, who have receded in so great a *Particular* from the *Observation* of the *Statute* by which they were Erected into a *Corporation* under the *Specious Name* of the *Bank of England*, &c. and it is not likely after so great a Neglect in one, they should have a stricter Regard to the other *Provisions* and *Limitations* of the said *Law*.

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Who therefore, considering the *Contingences* of the World, would contribute to the Advance of the 1200000*l.* &c. into the *Bank*, since (let their Occasions be never so pressing) they are precluded the *Command* of their *Principal*, or indeed the *Recovery* thereof, and are bound to stick to the bare Interest of *Eight per Cent*, unless they can relieve themselves by transferring their *Shares*, the Rate and Value of which depends upon the *Credit* of the *Bank* above their Fund, and rises and falls according as *that* varies by a Thousand unforeseen *Accidents*.

Nor is there any greater Invitation to augment the *Bank*, by lodging in their Hands the *Portions of Orphans*, or *Younger Children*, seeing they are not *commandable* or *recoverable* as Occasion may, and must necessarily require. And one would think Men should not be so *profuse* towards the *Bank*, if they would but consider the sad Presidents of the *Breaking* of the *Chamber of London*, and the *Shutting up* of the *Exchequer*; both which had more certain Ways of *Supply*, and came nearer to a *National Security*, and yet fail'd to the *Ruine* of many Thousands of all *Ages* and *Ranks*. But yet a certain Gentleman in a Sheet of Paper, very handsomely recommends *one of these* as far preferable to the *Bank*, not considering that the Matter would not be much amended. Not but that a better and safer Provision is very obvious, if the *Power* and *Authority* of the Nation would please to admit of it. Of which more afterwards.

But that which renders the Bank more intollerable is, its being downright an avow'd *Monopoly*, which has always been *odious* in the *Eye* of the *Law*, and when any such has taken shelter under some *Act of Parliament*, or by a *Charter*, or the *Favour* of the *Prince* for some Time, the *Government* has generally taken Care to put a *Stop* to it, by falling upon it as a *Common Nuisance*, to prevent the *Communities* running into Violence, as many times happens in all *Countrys* upon such Occasions. For what *Community* will long suffer it self to be *bought* and *sold*, *overrun*, *impoverish'd*, and *undone* by a *Private Corporation*, under any Pretence whatsoever; especially if the said *Corporation* should be of that Latitude, and as capable and comprehensive of doing *Mischief* as the *Bank of England* is?

The Truth is, the *Malignity* of the *Bank* is of that *Extent*, that I know not well where to begin my Account of it. If it Affects not only *Lesser Dealers*, but also *Manufacturers* and *Merchants*, it affects *Trade in general*, and what is injurious to *Trade* must necessarily run *counter*, and be very *pernicious* to the *Interest* of the *English Nation*, which from its happy *Situuation*, *Number of Ports*, *diversity of Manufactures*, *Ingenuity* and *Industry* of *People*, &c. has the *Advantage* in *Trade* above all other *Countries*, and without it would soon *languish* and grow *poor* and *weak* at *Home*, and *despicable* *A-broad*.

But to come nearer the *Matter of Fact*, if the *Bank of England* (or the *Company* so call'd) are *Privileged*, and have *Power* given them to *Engross* the *most Part* of the *Current Coin* of the *Nation*, which

by one Means or another circulates to *London* as the Centre of *Trade*, what can hinder them from reducing *Trade* into as Narrow a Compass, and as few Hands as themselves please. And having it so absolutely in their own *Power*, who can imagine they will lose the Opportunity of making themselves *Great* and *Wealthy*, which is apt to be the *Aim* and *Design* of most Men. What the *Act* provides against it, is, *That they shall not Deal or Trade, or permit or suffer any Person or Persons, either in Trust, or for the Benefit of the Company to Deal or Trade with any of the Stock's Money, in the Buying or Selling any Goods, Wares, or Merchandizes whatsoever.* But this does not hinder their *Lending* to whom they please, or their entrusting their *Friends* or *Relations* with great Sums to do what they please with, &c. and their *Friends* or *Relations* forestalling, or *Monopolizing*, is all one to the Government as if they did it themselves.

It is notoriously known, that the *Bank* did actually enable a certain *Dealer* in *London* to engross all the *Coffee* that was not in the Hands of *Retailers*, raising it to Ten times the Value. (See *Considerations against the Bank*, p. 6.) So all other *Goods* imported may be engrossed, and what Price they please set upon them, and all *Home-made Goods* likewise be *Monopolized* into the Hands of such Persons whom they shall please to credit with Sums of Money; supposing them not to reap any *Share* of the *Benefit* themselves, which cannot easily be imagin'd. For, in my Opinion, they may in a great Measure defend themselves by the said *Act*, which impowers them not only to sell all *Goods, Wares, Merchandizes* that shall be deposited with them, but also to deal in *Bills of Exchange*, and to buy and sell *Bullion, Gold, and Silver*. And does not that Authorize them

to break into *Trade in general*, and particularly into the *Traffick of Merchants, Goldsmiths, &c.* by supplanting them in the Ways of Dealing they were bred in? For what will be left for other Traders to support themselves in their several Ways of Dealing when those have possess themselves of the *Bullion of the Nation*?

I will go yet farther with them. Suppose they defend themselves by saying *they deal in nothing but Money* (believe it who please) yet that alone is sufficient to destroy the *Trade and Commerce* of this Kingdom by their dreining so much of it out of the *common Channel of Trade*, and diverting it another Way. For who can deny what is so *obvious* to those that will give themselves the *Liberty to think*, that the more our *Money* is employ'd in *Trade*, the greater is the *encrease of our Riches and Strength at Home*, and the Nation render'd the more honourable and formidable *Abrood*; and I think it is sufficiently evident, that if the *Bank* continues to be supported by the *Government*, they will still draw more and more *Money* out of the *Channel of Trade*, to the utter *Decay and Ruine* of it. Whereas the more *Trade and Manufacture* be encourag'd and enlarrg'd, the Higher is the *Price of Land*, and the Better are the *Rents* paid. Otherwise the *Farmer* must soon go a *Begging*, and the *Landlord* follow not long after, or else *Husband* his own *Land* himself.

I will endeavour to explain my self by the following *Instances*. Formerly *Traders* and *Farmers* also could upon their *Bond* borrow *Money* at 5 per *Cent.* and be very welcome to the *Lenders* who neither *Farm'd* nor *Traded*: But now the *Gain* of 8 per *Cent.* by the *Bank* has tempted many *Money'd Men*, (who used to

employ their spare Money in *Home Traffick*, and in carrying on *Manufactures*) to throw most of their *Cash* into the *Bank*, and the Reason is, because notwithstanding the *Bank* beyond the foresaid *Sum* allows not so much *Interest* as they could have had from *Traders*, *Dealers*, and *Farmers*, &c. yet they think their *Cash* safe no where else ; By reason so many of the said *Traders*, *Dealers*, *Farmers*, &c. are gone off, or betaken themselves to other Business for want of the Benefit of the said *Current Coin* monopoliz'd by the said *Bank* ; so farewell to all Personal Credit. This is the great *Lamentation* worthy the Thoughts of our *Honourable Representatives*.

My next *Observable* against the *Monopoly* of the *Bank*, is, that when Money runs in a free Stream, the *Current Coin* of the *Nation* was even than *too little* to begin, promote, and carry on the numerous and different Methods of *Trade*, *Traffick*, and *Manufactures* of this Kingdom ; but what must they now dwindle and sink into, if the *Current Cash* be suffer'd any longer to be *monopoliz'd* by the said *Bank*. It has been long since observ'd, That *Trade* is like a *Coy Mistress*, and must be earnestly and warmly *Courted*, or else you lose it, and if ever it pass over into another *Nation*, it is seldom or never *recover'd* back again : and that which hinders the Courting and Following this *Coy Dame*, is, that the Thoughts of our *Merchants* and *Traders*, &c. instead of being employ'd about the Improving of *Trade* are diverted to the *Bank*, and the *Discourse* upon the *Exchange* is chiefly about *Transfers* of *Bank Stock*, and the *Price* of *Tallies*, &c. as if that was the *grand* and *only Commerce* of the *Nation*, and the Promoting any other not worth a *serious Thought*.

But the greater *Grievances* are still behind. It is granted on all Hands, that *Traders* and *Dealers* of all Sorts cannot proceed in dealing to any considerable Degree of *Trade* without borrowing considerable Sums of Money, which by reason of the *Voracious Bank* are not now to be had any where else.

But on the Contrary, the Sums of Money already borrow'd are hastily call'd in at once; and the *Dealers* constrain'd either to *run* their Country, and carry their curious *Inventions* and *Ingenuity* in *Trade* into *Foreign Parts*, or be content to *reduce* and *contract* their Business at Home to their own *private Cash*. And does it not grieve all *serious Men* to see so many ingenious *Journeymen* and *Apprentices* just out of their Time, instead of taking *Shops* or *Ware-Houses* to enlarge *Trade*, fall into other Courses for Want of the usual *Credit* of being *half Stockt* upon *Trust*, and courted and thank'd for their *Custom* into the *Bargain*. And what will be the End of this *Mischief*, when *old Dealers* either *reduce* their *Trade* or *go off*, and *young ones* have no *Credit* or *Encouragement* to enable them to *set up*, but chose rather to venture their *Fortunes* in buying and selling *Bank Stock*.

I beg your Patience in one or two Instances more: The allowing 2 Pence per Cent. per Day (when they please) for Money brought into the *Bank*, as it is a *Decoy* to draw still more and more Money out of *Trade*, and has a pernicious *Influence* over large *Wholesale Dealers* all the Nation over, so is it as *Mischievous* to all sorts of *Retailers* by shortning their Day of *Credit*, the Life of *Retailing* depending upon *Trust* both Ways, *viz.* in *Selling* as well as *Buying*, few Persons having or paying ready Money at all Times for what they need.

need. But that which pinches the *Nation* most of all is what it suffers in its *Manufactures* at *Home*, and in its *Traffick* and *Merchandise* both at *Home* and with other *Countries* upon the Account of this *devouring Bank*. It is our *Manufacture* that furnishes us for *Foreign Markets*, besides what we *vend* at *Home*. But if the *Greediness* of 2 *Pence per Day* for every *Hundred Pound* lodg'd in the *Bank*, *Payments* of *Workmen* and *Island Bills* are delay'd, the *Fabrick of Goods* will be lessen'd, and consequently our *Traffick* and *Merchandise* will fall short of our *Rival Neighbours* who employ five *Times* the *Money* in *Trade* that we do, giving but 3 or 4 *per Cent.* at most for it, whilst we give 10 or 20 *per Cent.* (as I am credibly inform'd) by reason of the *Avaricious Bank*, and if it continues they will Daily have greater and greater *Advantages* over us to our *Ruine*, our *Loss* in *Trade* being their *Gain* proportionably.

The *Malignity* of the *Bank* spreads yet farther, even to *Lands* and the *Native Productions* of our *Country*. For as *Money* grows scarce, *Trade* decays, *Manufacture* lessens, *Interest of Money* rises, *Payments* slacken, answerably thereunto the *Rent of Lands* must sink, and *Home Productions*, such as *Wool*, &c. must abate and diminish in the *Price*. And give me Leave to add, that as our *Manufactures* fail so must our *Exports*, so also our *Imports* grow less and less. Which must needs have a *bad Influence* upon our *Customs*, upon our *Navigation*, and thereby lessen the Number of our *Seamen*, which are the *Bullwork* of our *Nation*. The *Value* of our *Land* is so fall'n already, that if a *Country Gentleman* will borrow *Money* he must go to *London* for it, and if his *Land* lies not within 40 *Miles* of the *Bank*, he must pay (one Way or other) at least 8, if not 10 or 11 *per Cent.* or returns *Home* without it. For tho' the

the *Bank* has pretended (by *Advertisement* in the *Gazette*) to lend at 5 per Cent. yet (naming not how much, nor how long to continue it) that has been only given out as a *Show-Horn*, they being no Way oblig'd to't either from their own *Constitution* or the *Government*. Not is it probable they will *Lend* Country Gentlemen any *Considerable Sums* at 5 per Cent. when they can have 8 per Cent. of the *Government* free of all *Taxes*, or double to that some other Way. But if they would indeed *Lend* at 5 per Cent. Gentlemen would not much care to *expose* themselves so publickly as to *borrow* of the *Bank*, when *publick Registers* have been rejected upon that very Account. And if great *Sums* in *Specie* go out of the *Nation* Yearly to carry on the *War*, our *Exportations* fail in order to the bringing in more *Bullion*, and the *Remainder* of the *Current Coin* be in great Part *swallow'd* up by the *Bank*, so that *County* and *County* be forc'd to live upon *Bartering* with one another, and *Land* and *Houses* bear little or no Price, farewell then to the *Oppulency*, *Splendour* and *Glory* of *England*, when she is thus become a *Derision* and *Prey* to the *Nations* round about by erecting and fostering a *Monopoly* within her own *Bowels*. In short, the *Bank* here spoken of, having Power to *Ingross* the *Current Coin*, to *discount Bills of Exchange*, to receive *Patrons* in Manner of a *Lumber-House*, to take in *Mortgages*, to purchase *Land*, to *Issue out Bills* above the *Fund* before mention'd without *Stint* or *Limitation*, and that even to *Foreigners*, I must conclude the *Exorbitancy* thereof was not *foreseen*, or has not so strictly past the *sedate Thoughts* of the *Nation*, as I hope it will this *Session* of *Parliament*,

Thus far concerning the *Miseries* and ill *Consequences* of the *Bank* (a very melancholly Scene,) I proceed to a *Remedy*. It is very well observ'd by the fore

foremention'd judicious Letter concerning the Credit of this Nation, that as it does consist partly in *Specie*, partly in *Paper Credit*, so if there were *Specie* enough for *Trade*, yet it would not be for the Interest of *Trade* to exclude *Paper Credit*, but there being not *Specie* enough, Recourse must be had to Credit some Way or other. The Nation (he says) yearly supplies it self by borrowing in *Specie* for some *Uses* and for some others by *buying* (Stores, &c.) upon its own *Credit*, and neither of them without Detriment to the *Publick*; and therefore he thinks it may be more adviseable for the Government chiefly to borrow *Credit* (to keep the *Specie* in *Trade*,) but yet he explains himself particularly in Relation to the *Bank*, that *Notes* issu'd out from thence are not practicable towards the Enlargement of the *Credit* of the Nation, nor indeed *safe*. But that *Notes* from the *Exchequer* bearing no *Interest* would do better, viz. By causing the *Lenders* to depend on the *Government*, &c. It is sufficient for my Purpose at present, that he does not allow of the *Bank*, as *keeping Money out of Trade*, and because of great Hazard run by *Bank Notes*, &c. But he must give me Leave to observe also, that the removing the *Bank* to the *Exchequer* will not pass for a compleat *Remedy*, the ill *Consequences* thereof being easily seen thro', tho' not so many as of the *Bank*. The *Author* of *Ways and Means*, &c. propos'd a *General Excise* as the e- qualest Way of carrying on the *War*, which yet was refus'd on very good *Grounds*. But how the *Bank* came so much in Favour with the *Government*, or how far 'tis involv'd and link'd in with it, I do not pretend to comprehend: But had the *Parliament* reserv'd in their *Charter* a Power of inspecting the *Bank-Books* they might very probably now find the *Bills* or *Notes* issu'd out so far to exceed 1200000 £. and what has been

been ingrafted since to keep it from sinking by extending its Credit (as well as for another Reason) that if the whole Number were to be demanded at once, seven such Banks in all likelihood would not be sufficient to discharge them, and Nine Parts in Ten of the Owners would be glad of any private Security for them.

The Remedy we Country Farmers propose is, That our Honourable Representatives would be pleas'd to appoint a Committee to receive Proposals, there being several (rightly consider'd and well digested) made ready for them, which will answer the present exigence without any Prejudice to Trade or Credit.

One offering to pay Interest for near three Millions to Perpetuity, and to deposite 100000 l. as Security for Performance only by preventing Abuses in one single Duty, and that so rationally as nothing but Cavils can be said against it.

Another to raise 400000 l. per Ann. by such a Method as compar'd with the Bank, is fifty Times before it.

A Third to bring in above a Million of Money by a voluntary Contribution. Which is a Relief and Succidaneum to the preventing of Bankrupts.

A Fourth has already been reported from a Committee of our Representatives as profitable and practicable, which with some Amendments might easily be made the most noble and most serviceable Bank in Europe. But our great Grievance is, that most of our Funds (as is generally discours'd) are taken from the Recommendation of one Gentleman without consulting Committees, which if the Deficiencies of several late Funds (falling short many and many a Thousand Pound) were look'd into, by a Retrospection of a few Years, would soon be redress'd. But who could

could ever imagine that this *upstart Bank* having no other Fund in its *Original*, than the Remainder of 100000*l.* per *An.* after the Interest of 12000*l.* at 8*l.* per *Cent.* deducted out of it, should ever come to be incorporated by the Name of *The Royal Bank*, or *Bank of England*; when *Foreigners* and *Strangers* (Jews and others) having equal Liberty of purchasing *Shares*, it is possible for the *whole Bank* to fall into the *Hands* of *Foreigners*. And who could ever think the *same Bank* should under any *Pretext* whatsoever pretend to renew its boundless *Charter* when *all the Ways* before mentioned, and *many more*, it is manifestly a *Check* and a *Curb* upon the *Government* to enslave it, and (if once renew'd) would fatally prove a *perfect Ruine* to the *Publick Credit* of the *Nation*.

I conclude with one *Expedient* more to rid our selves of this *Exorbitant Bank*. There are enough *Patriots* ready to advance 1200000*l.* at 8*per Cent.* (with the *Overplus*) *Tax-free*, without desiring to be *Incorporated* into a *Power* to ride the *Nation*. And if *Proposals* may freely be admitted, the *Honourable Representatives* will soon be furnish'd with such an *Equivalent* as will be broad enough to cover the *Soar*, both in respect of *Specie* and *Credit*, for a continual Supply to *Trade*, when this *Wen* or *Wolf* of a *Bank* is cut off from the *Body Politick*, and the *Nation* set free from so great a *Danger* of *Ruine* within it self, much *nearer* than a *Possibility*, which yet ought to be avoided in every *Nation*.

Thus I have sent you our *Country Thoughts* concerning the Necessity of bounding the *Bank* in a *Civil Way*, which you know already from much *better Pens*, and your own *Observation*. Yet hope our true *Zeal* for the *good* of our *Country* (being void of Personal *Malice*) may attone for the *Repetition* and *Tedium* of

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Your most Obedient, &c.

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